

IRS FRESH START INITIATIVE

GOAL

The goal is to help individuals and small businesses meet their tax obligations, without adding unnecessary burden to taxpayers. Specifically, the IRS is announcing new policies and programs to help taxpayers pay back taxes and avoid tax liens.

WHAT HAS CHANGED?

- Significant increases to the dollar threshold when liens are generally issued, resulting in fewer tax liens.
- Possibility of lien withdrawals after paying a tax bill.
- Withdrawal of liens in most cases where a taxpayer enters into a Direct Debit Installment Agreement.
- Easier access to Installment Agreements for more struggling small businesses.
- Expanded streamlined Offer in Compromise program to cover more taxpayers.

Notice of Federal Tax Lien Filing

- Threshold raised to \$10,000. IRS generally will not file a lien for liabilities under \$10,000.
- Exceptions include repeat offenders and those attempting to place assets beyond the reach of the IRS.

Tax Lien Withdrawal

- Liens may now be withdrawn once full payment of taxes is made if the taxpayer requests it.
- For taxpayers with unpaid assessments of \$25,000 or less, the IRS will now allow lien withdrawals under certain circumstances.

LIEN WITHDRAWAL

- Lien withdrawals for taxpayers entering into a Direct Debit Installment Agreement after a probationary period.
- The IRS will withdraw a lien if a taxpayer on a regular Installment Agreement converts to a Direct Debit Installment Agreement.
- The IRS will may also withdraw liens on existing Direct Debit Installment Agreements upon taxpayer request.

STREAMLINED INSTALLMENT AGREEMENT FOR INDIVIDUALS

- Unpaid balance up to \$50,000
- Must be paid within 72 months
- No filing of Notice of Tax Lien in most cases
- Financial statements generally not required
- Direct Debit required for balances over \$25,000

INSTALLMENT AGREEMENTS AND SMALL BUSINESSES

- Express Installment Agreement threshold increased from \$10,000 to \$25,000.
- The Express Installment Agreements will be available for small businesses that file either as an individual or as a business. Small businesses with an unpaid assessment balance greater than \$25,000 would qualify for the Express Installment Agreement if they pay down the balance to \$25,000 or less.
- Small businesses will need to enroll in a Direct Debit Installment Agreement to participate if more than \$10,000 owed.
- Balance must be paid within 24 months.

EXPRESS INSTALLMENT AGREEMENT ADVANTAGES

- No financial statements required
- No Notice of Federal Tax Lien filing in most cases
- No Trust Fund Recovery Penalty in most cases.

STREAMLINED OFFER IN COMPROMISE

- This streamlined OIC is being expanded to allow taxpayers with annual incomes up to \$100,000 to participate. In addition, participants must have tax liability of less than \$50,000, doubling the current limit of \$25,000 or less

MORE INFORMATION

- www.irs.gov
- Search for “fresh start” or “payment options”
- It’s all there!